

# Michigan woman who won \$1M lottery but kept using food stamps loses benefits

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LINCOLN PARK, Mich. – A Michigan woman won a \$1 million lottery and continued to collect \$200 a month in [food stamps](#) -- until she boasted about her situation to a local TV station and officials swooped in.

Amanda Clayton hit the jackpot in the "Make Me Rich!" lottery [game](#) show in October and, after electing to take a lump sum of \$700,000 and allowing for taxes, was left with about \$500,000, she told WDIV-TV.

The 24-year-old, who is [unemployed](#), said she continued to receive public assistance.

"I thought that they would cut me off, but since they didn't, I thought, maybe, it was OK because I'm not working," Clayton said. "It's hard. I am struggling."

She added, "I feel that it's okay because I mean, I have no income and I have bills to pay. I have two houses."

But the Michigan Department of Human Services (DHS) said Wednesday that the woman was no longer receiving benefits and warned that people who continued to receive handouts in such circumstances may face criminal investigation and be required to pay back those benefits.

"Under DHS policy, a recipient of [food assistance](#) benefits must notify the state within 10 days of any asset or income change. DHS relies on clients being forthcoming about their actual financial status," DHS director Maura Corrigan said.

"Michigan DHS does not currently have the ability to [verify](#) a person's lottery winnings in determining benefit eligibility, but bills pending in the state legislature would require the Michigan Lottery to notify DHS of lottery winners.

"We fully support this proposed change. Our Office of Inspector General will continue to vigorously pursue any and all abuse and fraud in the welfare system."

A bill to stop lottery winners from continuing to cash in on food [assistance](#) has passed the state House and lawmakers are pushing for the Senate to approve it as well

## Audit: 1,164 cases where dead people received welfare

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<http://www.fox25boston.com/news/audit-1164-cases-where-dead-people-received-welfare-3/140336504>

BOSTON (MyFoxBoston.com) — The state auditor says the Department of Transitional Assistance needs to strengthen its efforts to protect and maximize resources after an audit revealed the state has handed out welfare benefits to 1,164 people who were either dead or using a deceased person's [Social Security number](#).

Suzanne Bump issued an audit Tuesday covering cash, [food stamps](#), and other benefits to low-income families. The audit detailed millions of dollars in questionable benefits, inadequate security over blank EBT cards, and a need for improved [fraud detection](#).

The audit identified 1,164 cases where recipients continued to receive a total of \$2.39 million in benefits from six to 27 months after they were reported to be deceased. According to the audit, the DTA paid at least \$368,000 benefits to 178 guardians who were claiming deceased persons as dependents and \$164,000 to 40 individuals being claimed by more than one guardian.

The audit also said the DTA did not [verify](#) self-reported [Social Security numbers](#) resulting in \$662,000 being paid to people with more than one Social Security number. Another \$359,000 was paid to individuals using the same Social Security number.

EBT cards were also a part of the audit. Bump said five regional offices could not provide documentation for more than 30,000 cards. In addition, auditors found \$15 million in potentially fraudulent transactions that should have been investigated.

Bump said \$4.58 million had been reported in out-of-state transactions, signaling the potential that some beneficiaries had been living out-of-state while receiving benefits.

The audit showed \$1.5 million in even-dollar transactions which, according to the auditor, could have been evidence that retailers might have been exchanging benefits for cash. Another \$5 million had been reported in full monthly balance withdrawals.

Another part of the audit was excessive card reissuance. The state auditor found that 9,800 people had requested and received more than 10 replacement cards since 2006. One individual had 127 cards issued in that same time period.

DTA Interim Commissioner Stacey Monahan says the audit recommendations align with the DTA's recently released action plan designed to enhance its program integrity and restore public confidence. DTA's action plan was announced in March of 2013.

"This audit demonstrates that DTA can do more to ensure that only eligible people are receiving benefits and that those benefits are not being abused, Bump said. "I am encouraged that DTA has implemented a 100-day plan and is working to address each of these issues and improve its operations."

*Statement from DTA Interim Commissioner Stacey Monahan:*

*"We appreciate the recommendations put forth by the auditor. DTA is committed to continually strengthening program integrity and ensuring that only those who are eligible for benefits receive them. The audit report's recommendations align with DTA's recently released 100-Day Action Plan, which takes proactive steps to prevent fraud and abuse, block EBT card usage at prohibited establishments and increase monitoring of card usage. DTA recently announced a new partnership with statewide law enforcement associations to increase data sharing, while giving local police the tools they need to ensure that clients and retailers are abiding by the law."*

# New Jersey Sent Welfare Checks to Prisoners

By [KATE ZERNIKE](#) MAY 29, 2013

[http://www.nytimes.com/2013/05/30/nyregion/welfare-payments-went-to-prisoners-in-new-jersey-report-shows.html?\\_r=0](http://www.nytimes.com/2013/05/30/nyregion/welfare-payments-went-to-prisoners-in-new-jersey-report-shows.html?_r=0)

Reining in welfare, unemployment benefits and state pension costs have become standard rallying cries for Republican politicians — particularly those with an eye on the White House. But [Gov. Chris Christie](#) of New Jersey, who has often talked about his own cost-cutting credentials, was told on Wednesday that the state had been a bit too generous under his watch.

Over a 22-month period, New Jersey paid nearly \$24 million in unemployment, welfare, pension and other benefits to 20,000 people who did not qualify for them because they were in prison, according to a report from the state comptroller released on Wednesday.

In one case, a former state employee collected more than \$37,000 in pension benefits while in prison for the sexual assault of a minor. In another, a man began receiving unemployment benefits three months after he was imprisoned for illegal gun possession — despite a state law that requires people who receive benefits to be “available for work.”

The report blames “a lack of adequate internal controls” at state agencies. In most cases, the agencies that administer the benefits did not check the list of beneficiaries against available databases of county or state prisoners. Instead, the division of pensions and benefits said it relied on tipsters and newspapers to determine whether people receiving benefits had been sentenced to prison.

“Suffice it to say that when thousands of inmates are collecting unemployment checks from behind bars, there is a serious gap in program oversight,” said Comptroller A. Matthew Boxer.

Mr. Christie’s office referred requests for comment to the New Jersey Department of Labor, which noted in a letter responding to the audit that the administration had begun “an unprecedented antifraud campaign” the first year the governor came into office. The department also noted that the period the audit examined, from July 2009 through April 2011, began a half-year before the Christie administration took over.

Nearly half of the payments — \$10.6 million — were unemployment benefits paid out to about 7,600 people behind bars. More than \$7 million was in [Medicaid](#) payments that went to managed care organizations, pharmacies, or hospitals and clinics on behalf of people who were not eligible — and not available — to receive the benefits. The Department of Human Services paid \$4.2 million in food stamp benefits and \$1.2 million in temporary cash benefits to people who were imprisoned. About \$354,000 in pension benefits was paid out to people imprisoned for crimes including robbery, official misconduct and kidnapping.

Some of the people in prison — those whose Medicaid benefits were paid out to managed care organizations, for instance — may not have been aware they were defrauding the state. In other cases, the fraud seemed deliberate; in addition to the \$24 million in benefits improperly paid out, the audit found that 13 state employees had used sick leave to cover their time in prison. (The report said this resulted in “relatively immaterial amounts of improper payments.”)

